

# HOUSE BILL 710

C2, I4, Q4

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By: **Delegates Tarrant, Barnes, Feldman, Murphy, Reznik, V. Turner, and Vaughn**

Introduced and read first time: February 10, 2011

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Cigarette – Definition**

3 FOR the purpose of altering certain definitions of “cigarette” to expand the application  
4 of certain provisions of law governing the regulation and taxation of cigarettes  
5 to include certain products; and generally relating to the definition of “cigarette”  
6 and the regulation and taxation of cigarettes.

7 BY repealing and reenacting, without amendments,  
8 Article – Business Regulation  
9 Section 16–101(a)  
10 Annotated Code of Maryland  
11 (2010 Replacement Volume and 2010 Supplement)

12 BY repealing and reenacting, with amendments,  
13 Article – Business Regulation  
14 Section 16–101(b)  
15 Annotated Code of Maryland  
16 (2010 Replacement Volume and 2010 Supplement)

17 BY repealing and reenacting, without amendments,  
18 Article – Commercial Law  
19 Section 11–501(a)  
20 Annotated Code of Maryland  
21 (2005 Replacement Volume and 2010 Supplement)

22 BY repealing and reenacting, with amendments,  
23 Article – Commercial Law  
24 Section 11–501(c)  
25 Annotated Code of Maryland  
26 (2005 Replacement Volume and 2010 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, without amendments,  
 2 Article – Tax – General  
 3 Section 12–101(a) and 12–105(a)  
 4 Annotated Code of Maryland  
 5 (2010 Replacement Volume)  
 6 (As enacted by Chapter 388 of the Acts of the General Assembly of 2010)

7 BY repealing and reenacting, with amendments,  
 8 Article – Tax – General  
 9 Section 12–101(b)  
 10 Annotated Code of Maryland  
 11 (2010 Replacement Volume)  
 12 (As enacted by Chapter 388 of the Acts of the General Assembly of 2010)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
 14 MARYLAND, That the Laws of Maryland read as follows:

15 **Article – Business Regulation**

16 16–101.

17 (a) In this title the following words have the meanings indicated.

18 (b) **(1)** “Cigarette” means any size or shaped roll for smoking that is made  
 19 of tobacco or tobacco mixed with another ingredient and:

20 **(I)** IS WRAPPED IN PAPER OR IN ANY OTHER MATERIAL EXCEPT TOBACCO;

21 **(II)** IS WRAPPED IN PAPER CONTAINING TOBACCO AND,  
 22 WITH THE WRAPPER, WEIGHS LESS THAN 3 POUNDS PER 1,000 ROLLS; OR

23 **(III)** CONTAINS TOBACCO, IN ANY FORM, THAT IS  
 24 FUNCTIONAL IN THE PRODUCT AND IS LIKELY TO BE OFFERED TO OR  
 25 PURCHASED BY CONSUMERS AS A CIGARETTE BECAUSE OF:

26 **1. ITS APPEARANCE;**

27 **2. THE TYPE OF TOBACCO USED IN THE FILLER; OR**

28 **3. ITS PACKAGING.**

29 **(2) “CIGARETTE” DOES NOT INCLUDE:**

1 (I) A PRODUCT DESCRIBED IN PARAGRAPH (1)(I) OR (II) OF  
2 THIS SUBSECTION THAT HAS A WHOLESALE PRICE OF AT LEAST 50 CENTS PER  
3 ROLL; OR

4 (II) A PRODUCT THAT IS WRAPPED EXCLUSIVELY IN  
5 TOBACCO.

6 Article – Commercial Law

7 11–501.

8 (a) In this subtitle the following words have the meanings indicated.

9 (c) (1) [“Cigarettes”] “CIGARETTE” means any size or shaped roll for  
10 smoking that is made of tobacco or tobacco mixed with another ingredient and:

11 (I) IS WRAPPED IN PAPER OR IN ANY OTHER MATERIAL EXCEPT TOBACCO;

12 (II) IS WRAPPED IN PAPER CONTAINING TOBACCO AND,  
13 WITH THE WRAPPER, WEIGHS LESS THAN 3 POUNDS PER 1,000 ROLLS; OR

14 (III) CONTAINS TOBACCO, IN ANY FORM, THAT IS  
15 FUNCTIONAL IN THE PRODUCT AND IS LIKELY TO BE OFFERED TO OR  
16 PURCHASED BY CONSUMERS AS A CIGARETTE BECAUSE OF:

17 1. ITS APPEARANCE;

18 2. THE TYPE OF TOBACCO USED IN THE FILLER; OR

19 3. ITS PACKAGING.

20 (2) [“Cigarettes”] “CIGARETTE” does not include:

21 (I) A PRODUCT DESCRIBED IN PARAGRAPH (1)(I) OR (II) OF  
22 THIS SUBSECTION THAT HAS A WHOLESALE PRICE OF AT LEAST 50 CENTS PER  
23 ROLL;

24 (II) A PRODUCT THAT IS WRAPPED EXCLUSIVELY IN  
25 TOBACCO; OR

26 (III) cigars.

27 Article – Tax – General

28 12–101.

1 (a) In this title the following words have the meanings indicated.

2 (b) **(1)** “Cigarette” means any size or shaped roll for smoking that is made  
3 of tobacco or tobacco mixed with another ingredient and:

4 **(I)** IS WRAPPED IN PAPER OR IN ANY OTHER MATERIAL EXCEPT TOBACCO;

5 **(II)** IS WRAPPED IN PAPER CONTAINING TOBACCO AND,  
6 WITH THE WRAPPER, WEIGHS LESS THAN 3 POUNDS PER 1,000 ROLLS; OR

7 **(III)** CONTAINS TOBACCO, IN ANY FORM, THAT IS  
8 FUNCTIONAL IN THE PRODUCT AND IS LIKELY TO BE OFFERED TO OR  
9 PURCHASED BY CONSUMERS AS A CIGARETTE BECAUSE OF:

10 1. ITS APPEARANCE;

11 2. THE TYPE OF TOBACCO USED IN THE FILLER; OR

12 3. ITS PACKAGING.

13 **(2)** “CIGARETTE” DOES NOT INCLUDE:

14 **(I)** A PRODUCT DESCRIBED IN PARAGRAPH **(1)(I)** OR **(II)** OF  
15 THIS SUBSECTION THAT HAS A WHOLESALE PRICE OF AT LEAST 50 CENTS PER  
16 ROLL; OR

17 **(II)** A PRODUCT THAT IS WRAPPED EXCLUSIVELY IN  
18 TOBACCO.

19 12–105.

20 (a) The tobacco tax rate for cigarettes is:

21 (1) \$1.00 for each package of 10 or fewer cigarettes;

22 (2) \$2.00 for each package of at least 11 and not more than 20  
23 cigarettes;

24 (3) 10.0 cents for each cigarette in a package of more than 20  
25 cigarettes; and

26 (4) 10.0 cents for each cigarette in a package of free sample cigarettes.

1           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2    October 1, 2011.